



Our Scope

At Sainsbury's, we seek to build resilient supply chains by sourcing products ethically and sustainably.

This document details our position and sourcing requirements for all suppliers in clothing, non-food grocery and General Merchandise across all product areas own-brand and licensed products that contain manmade regenerated cellulosic fibres including, but not limited to, viscose, rayon, lyocell, modal, cupro, acetate, bamboo (in textile form) and other trademarked brands.

The following products are out of scope of this document:

- Manmade regenerated cellulosic threads and trims are currently out of scope due their small volumes.
- Certified recycled cotton which includes small volumes of MMCFs
- Products where MMCFS are 3% or below of the total component
- Branded products

This sustainable sourcing policy should be read alongside our Supplier Handbook. Depending on where in the business the products are sold, the General Merchandise Sustainability Guidelines, the Clothing Sustainability Guidelines, or the Responsible Sourcing Manual should also be consulted.

The policy statements outlined in this document are in addition to all applicable legislation. Sainsbury's suppliers must ensure they meet all requirements laid down in law at the point of manufacture and where the products are finally sold to the customer.

Whilst this policy is intended to help suppliers provide products suitable for Sainsbury's own-brand, they do not absolve suppliers of their responsibility to understand and comply with all the quality, legal and safety requirements for their products.



SECTION ONE

Our Position

Cellulosic fibres are typically manufactured from wood pulp. Forests constitute the largest and most significant ecosystems and are a key resource for local communities. Yet, despite their importance, 300 million trees are cut down year on year for MMCFS, in which roughly half come from Ancient and Endangered forests. The demand for forest products is anticipated to increase, emphasising the need for sustainable management of these vital resources for future generations.

The manufacture of manmade cellulosic fibres often involves the use of highly toxic and corrosive chemicals. The discharge of pollutants into the air and chemicals into waterways can affect the delicate natural balance of ecosystems and water bodies and harm the health of factory workers and local communities.

Manmade cellulosic fibres are the third most used fibre in our Tu clothing range and represents critical value to our business. We recognise the challenges involved in sourcing viscose and other manmade regenerated cellulosic fibres from an environmental, economic and social sustainability perspective and this policy is designed to communicate our expectations and standards to suppliers.

We want to ensure these fibres used in our products are created as sustainably as possible, and this policy outlines our expectations for suppliers to work together towards this aim.

SECTION TWO

Statements of intent

Through our <u>Plan for Better</u> commitments and work with the <u>Changing Markets Foundation</u> and <u>Canopy</u>, we are committed to sourcing Deforestation and Conversion Free (DCF) forest-risk commodities by 2025, including timber. This includes eliminating Ancient and Endangered forest fibre from our supply chains by 2025.

- 100% of our non-recycled Manmade Cellulosic Fibre products will be sourced to an independent sustainability standard by 31st December 2025
- 100% of our non-recycled Manmade Cellulosic fibres products will be traceable to fibre country of origin by 31st December 2025
- We will encourage the development of innovative fibre feedstocks that reduce environmental and social impacts, with a preference for recycled fabrics and/or agricultural residues.



Our Approach

MMCF production can be linked to deforestation and land conversion which can lead to wider environmental concerns such as soil degradation and biodiversity loss. There are also concerns about the discharge of pollutants into air and waterways from the production of MMCFs. This policy seeks to address these risks and achieve our DCF commitments through certification and traceability requirements which allow us to monitor progress.

The below requirements in each section must be met by suppliers to mitigate the associated risks:

The belov	General requirements
1.	Products containing MMCFs must be sourced to at least one of the following sustainability standards:
1.	 Suppliers of dothing and general merchandise must achieve a minimum 'green shirt' with no known risk on the <u>Canopy Hot Button Report</u>
	 Suppliers of dothing and general merchandise must be committed to implementing the Changing Markets Roadmap towards responsible viscose and modal fibre manufacturing, which
	includes moving to a closed-loop manufacturing system to ensure emission controls of chemical recovery rates by 2023-2025.
	 Fibres must be sourced from forests managed to an independent sustainability standard. Forest Stewardship Council (FSC) or PEFC A Grade certification is preferred.
	Tracea bility requirements
2.	Suppliers shall declare the fibre country of origin and manufacturing route of non-recycled manmade cellulosic fibres on an annual basis
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	Suppliers should use our Manmade Cellulosic Fibres Reporting Template or the Fabric Specification Template to provide us withthis information. This includes, but is not limited to,
	information on:
	Country and company of fibre manufacturer
	Sustainability standards or initiatives implemented at each stage of the supply chain,
	Protection of forests and other natural ecosystems*
3.	Timber for MMCFs must not be harvested illegally in contravention of legislation in the country of harvest
	Only plantation material grown on land converted prior to 31st December 2020 will be accepted, unless preceded by existing standards or legislation
	There must be no deforestation of High Conservation Value (HCV) forests
	• Species categorised on the International Union for Conservation of Nature (IUCN) Red List as 'CR – Critically Endangered', 'EN – Endangered', or 'VU – Vulnerable' must not be sourced
	As part of our green shirt certification, We will work with Canopy and our suppliers to support collaborative solutions that protect remaining Ancient and Endangered Forests in the
	Coastal Temperate Rainforests on Vancouver island, the Great Bear Rainforest, Canada's Boreal Forests and Indonesia's Rainforests.
	Respect for human rights*
4.	Before any activity that may affect indigenous peoples' and local communities' rights, land, resources, territories, livelihoods, and food security, their free, prior and informed consent
	(FPIC) must be secured
	Forced labour is prohibited and is not tolerated anywhere in our supply chains. Suppliers must not knowingly use MMCFS from Xinjiang, and must declare any cotton fibre believed to be
	sourced from these regions.
_	Alternative & recycled raw material
5.	• We will preference MMCF products which include a minimum of 50% of innovative fibre feedstocks which reduce environmental and social impacts. This includes feedstock sources
	from recycled fabrics and/ or agricultural residues.
	• Where chain of custody documentation is unavailable for recycled products, purchase orders or some other form of documentation may be accepted on a case-by-case basis. Speak to
	your technical manager for further detail.
	• We support the use of new materials that might replace MMCFs. If an alternative raw material is used, this shall be discussed and approved with the Technical Manager at Sainsbury's on
	an ad-hoc basis

^{*}Based on definitions agreed by the Accountability Framework Initiative (AFi). Requirements 3 & 4 are included within the FSC Principles & Criteria for Forest Stewardship therefore if using an approved 3rd Party Scheme please refer to CR&S and Technical Team SME for advice on how to provide additional assurance on these requirements.

Roles and Responsibilities

Suppliers:

- All suppliers will provide goods that meet the corporate policy
- All suppliers will provide information on country of origin and certification to enable Sainsbury's to carry out assessments on MMCF supply chains

Sainsbury's:

- Sainsbury's will assess the environmental risk of its MMCF supply chains and take mitigating steps.
- Sainsbury's will publicly disclose our key suppliers of MMCFs

SECTION FIVE

Governance

This policy has been agreed by the GM Steering Committee and will be reviewed annually by environment and technical colleagues as required. All changes will be communicated to the suppliers.



Definitions

What other definitions might be relevant to your commodity?

Where relevant, our definitions align with <u>Accountability Framework Initiative (Afi)</u>

- **Deforestation**: The loss of natural forest as a result of (i) conversion to agriculture or other non-forest land use; (ii) conversion to a plantation; or (ii) severe or sustained degradation.
- **Conversion**: Change of a natural ecosystem to another land use or profound change in the natural ecosystem's species composition, structure, or function
- **Deforestation and Conversion Free (DCF)**: a volume of commodity produced on land that was not subject to conversion or deforestation past a defined cut-off date.
- Ancient and Endangered Forests (A&E Forests): Ancient and endangered forests are intact
 forest landscape mosaics, naturally rare forest types, forest types that have been made rare
 due to human activity, and/or other forests that are ecologically critical for the protection of
 biological diversity
- Recycled materials: Materials proven to be from a preferred post-consumer waste stream.
- Manmade Cellulosic Fibres -regenerated fibers usually made from the dissolved wood pulp
 or "cellulose" of trees. Viscose, lyocell, and modal are all kinds of manmade cellulosics.
 Because they're plant-based, MMCFs are renewable, and so have the potential to be a
 climate-friendly material if the wood is sourced sustainably and the processing chemicals are
 handled properly.
- Licensed product Exclusive license of a brand is an agreement through which Sainsbury's
 Argos leases the use of another company's brand in association with a product, for an agreed
 period of time, within an agreed territory (UK). Sainsbury's Argos may or may not be
 involved with product development, however, we do always scrutinse supply chain
 (Technical and Ethical audits) and will always collect full technical files.

External links

- Canopy Hot Button Report and <u>CanopyStyle Audit</u>
- Changing Markets Roadmap



FAQs

Does Sainsbury's have requirements on wood burnt for fuel?

All suppliers should act in line with domestic legislation, this includes ensuring that wood from illegal deforestation is not used as a fuel source. If operating in areas of high deforestation risk, suppliers should provide evidence the wood they purchase is not from deforested land. Examples of evidence includes independent certification, such as FSC and PEFC, or use of the Wood AI app. Please speak to your technologist if you have further questions.

Sainsbury's

Our Policy on Manmade Cellulosic Fibres

The information in this document may be supported by other Sainsbury's Documents.

The information outlined in this document is in addition to all applicable UK and EU legislation.

Sainsbury's suppliers must ensure they meet all legal and regulatory requirements both at the point of manufacture and where the products are sold to the consumer. Whilst this document is intended to help you supply products suitable for the Sainsbury's brand (i.e. all brands owned by Sainsbury's), they do not absolve you of your responsibility to understand and comply with all the quality, legal and safety requirements for your products or the products you supply.

For the purpose of this document Sainsbury's means Sainsbury's Supermarkets Limited and Argos Limited only. Sainsbury's Argos is the trading name of both:

1) Argos Limited, Registered office: 33 Charterhouse Street, London, EC1M 6HA.. Registered number: 01081551

2) Sainsbury's Supermarket Limited, Registered office: 33 Charterhouse Street, London, EC1M 6HA. and Sainsbury's Supermarkets (NI) Ltd, Upper Galwally, Belfast, BT8 6FX Registered number: 03261722

Document Reference	Document Owner	Amendment History	Date
PLO03-V1	Sustainability Manager, CR&S and Technical Manager, Seasonal	Creation of document	April 2020
PL003-V2	Sustainability Manager, CR&S and Technical Manager, Seasonal	Aligning the policy with Sainsbury's DCF 2025 target; inclusion of GM and non-food grocery; inclusion of a new FAQ on wood burnt for fuel.	06/12/2023
PLO03-V3	Sustainability Manager, CR&S and Technologist, GM Technical and Ethical	Updated cut off date and sunset date	Sept 2024
PL00-V4	Sustainability Manager, CR&S and Technologist, GM Technical and Ethical	Updated to reflect change in Head office Location	June 2025